

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
2000 Biennial Regulatory Review --)	CC Docket No. 00-199
Comprehensive Review of the)	
Accounting Requirements and)	
ARMIS Reporting Requirements for)	
Incumbent Local Exchange Carriers:)	
Phase 2)	
)	
Jurisdictional Separations Reform and)	CC Docket No. 80-286
Referral to the Federal-State Joint Board)	
)	
Local Competition and Broadband)	CC Docket No. 99-301
Reporting)	

**VERIZON'S¹ COMMENTS TO ISSUE B IN THE FURTHER NOTICE
OF PROPOSED RULEMAKING IN CC DOCKET NO. 80-286**

In its most recent *Report and Order* in this docket², the Commission created subaccounts to five existing Class A accounts. In Issue B of the *Further NPRM*, regarding conforming amendments to Part 36 separations rules, the Commission “seek[s] comment on whether the creation of subaccounts warrants any modification to the separations treatment of these accounts.” *Report and Order*, ¶ 220. The answer to that question is no.

The Commission has found that it is appropriate to calculate separations based on the more general reporting levels set forth in Class B accounts, rather than on Class A accounting information. *See Amendment of Part 67 (New Part 36) of the Commission’s*

¹ The Verizon telephone companies (“Verizon”) are the affiliated local telephone companies of Verizon Communications Corp., and are listed in Attachment A.

² *2000 Biennial Regulatory Review--Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2*, 16 FCC Rcd 19911 (2001) (“Report and Order”).

Rules and Establishment of a Federal-State Joint Board, 2 FCC Rcd 2582, ¶ 73 (1987) (“We conclude that adoption of the modified Class B Manual for use by all carriers would meet our goals of conformance and simplification”). The subaccounts created in the *Report and Order* apply only to Class A accounts, and are not used in Class B accounts. *Compare Report and Order*, App. C (Revised list of Class A accounts) with *id.*, App. D (Revised list of Class B accounts).³ Because separations has always been designed to function at the less detailed Class B level, the addition of new detail to Class A accounts should not affect the separations process. Changing the separations accounts to reflect this unnecessary level of detail would be a step backwards, increasing regulatory burdens at a time when the Commission is seeking to reduce regulations and simplify the separations process. Indeed, the Act requires the Commission to eliminate any regulations that are not “necessary” to serve the public interest. 47 U.S.C. § 161. And since the separations process has long functioned without the additional detailed accounts, there is no question that the new subaccounts are somehow necessary.

³ In fact, some of these newly created subaccounts are subdivisions of larger accounts that are themselves not part of Class B accounting. *See, e.g., Report and Order*, ¶ 220 & Apps. C, D.

Conclusion

The Commission should not make significant changes to existing separations accounting rules based on changes in Class A accounting that have no effect on Class B reporting requirements.

Respectfully submitted,



Ann H. Rakestraw

Michael E. Glover
Edward Shakin
Of Counsel

1515 North Courthouse Road
Suite 500
Arlington, VA 22201
(703) 351-3174

Attorney for the
Verizon telephone companies

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THE VERIZON TELEPHONE COMPANIES

The Verizon telephone companies are the local exchange carriers affiliated with Verizon Communications Inc. These are:

Contel of the South, Inc. d/b/a Verizon Mid-States
GTE Midwest Incorporated d/b/a Verizon Midwest
GTE Southwest Incorporated d/b/a Verizon Southwest
The Micronesian Telecommunications Corporation
Verizon California Inc.
Verizon Delaware Inc.
Verizon Florida Inc.
Verizon Hawaii Inc.
Verizon Maryland Inc.
Verizon New England Inc.
Verizon New Jersey Inc.
Verizon New York Inc.
Verizon North Inc.
Verizon Northwest Inc.
Verizon Pennsylvania Inc.
Verizon South Inc.
Verizon Virginia Inc.
Verizon Washington, DC Inc.
Verizon West Coast Inc.
Verizon West Virginia Inc.